

Mr Mark Feather
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Our ref

Your ref

Date

10 January 2008

Dear Mr Feather,

Review of Industry Code Governance

I am writing on behalf of “WPD”, Western Power Distribution (South West) and Western Power Distribution (South Wales) plc in response to the Open Letter dated 28 November 2007.

We agree that it is timely to conduct a review of code governance due to the number of codes, the differing governance arrangements and the change in Government objectives bringing environmental issues more to the fore. The existing arrangements make monitoring and responding to change proposals difficult for all parties.

We agree that a review of the code objectives should be part of this review to ensure that they align with the Government’s energy policy and in particular that consideration is given to whether there is currently appropriate weight given to environmental objectives in both change proposals and decisions by the Authority. In addition, we believe that the BSC code objectives need to be expanded to consider the data requirements of distributors as their role in facilitating the connection of distributed generation and embedded networks increases.

Whilst we do not have an objection to changing the governance of charging methodologies to allow users to propose changes, it must be recognised that implementing charging methodology changes can have significant impacts on distribution business processes and IT systems. Such a change needs to be balanced with an ability for distributors to recover their efficient costs of both assessing and implementing any change proposals under such an arrangement. In addition, this change would probably require a common charging methodology across all distributors and an appropriate code administrator.



I trust that the above is helpful but should you wish to discuss any aspect of this review, please do not hesitate to contact Nigel Turvey at nturvey@westernpower.co.uk or on 0117 933 2435).

We look forward to the forthcoming Power the Energy Debate event.

Yours sincerely

A handwritten signature in dark ink, appearing to be 'AS', with a small dot above the 'S'.

ALISON SLEIGHTHOLM
Regulatory & Government Affairs Manager